

Testimony of

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**Before the House Subcommittee on
National Security, Emerging Threats, and International Relations**

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I. Introduction

Chairman Shays and Members of the Subcommittee, I am pleased to submit this written testimony on behalf of Royal Caribbean Cruises Ltd.

My name is Bill Wright, and I serve as the Senior Vice President of Marine Operations for Royal Caribbean International, a global cruise vacation company operating 19 ships. Our sister brand is Celebrity Cruises, which operates nine ships worldwide.

I have more than 30 years of seafaring experience, which includes the cruise ship industry. I have worked for Royal Caribbean International for nearly 14 years and became Senior Vice President of Marine Operations in 2005. In my current role, I am responsible for all maritime operations of Royal Caribbean International's fleet. Prior to this post, I served as Master of numerous Royal Caribbean International cruise ships from 1996 to 2001, and was subsequently promoted to Senior Vice President of Safety, Security & Environment for the fleets of both Royal Caribbean International and Celebrity Cruises. I earned an Unlimited Master Mariner license in Norway in 1991 and a Master's degree in Marine Engineering from Vestfold Maritime College in Norway in 1992. I am a native of Florida, born and raised in South Florida.

All of us at Royal Caribbean appreciate the time and serious consideration you are applying to these important matters. We hope that your hearings improve the public's understanding of our industry, and we particularly appreciate you giving us this opportunity to appear before you and answer the Subcommittee's questions.

Nothing is more important to Royal Caribbean and Celebrity Cruises than the safety of our guests and crewmembers. Both our actions and our record evidence that.

To fully address the questions you asked in your February 23, 2006 letter, it is important to provide the context of the specific efforts we undertake to protect the safety of our guests and crewmembers. First, I will briefly summarize our specific policies and practices on guest and crewmember safety and reporting of alleged crimes. Next, I will address allegations made by others who have been asked to testify before the Subcommittee. Finally, I will answer each of the questions you submitted to us in your letter of February 23, 2006. I look forward to answering any further questions that you have.

II. Security and Safety

The Subcommittee has requested specific information to help it assess the safety and security of cruise ships, and we provide it in detail in a later section. Equally important to that task, however, is putting that and other information in the context of our overall security record, policies, and practices. To this end, immediately below we provide an explanation of our policies with respect to hiring crewmembers, security training for crewmembers, and guest behavior.

A. Policies

1. Hiring Crewmembers

Providing a safe environment begins with our hiring process and policies for crewmember and guest behavior. It continues with training our crewmembers on our safety policies and enforcing them.

In particular, our policies and training require diligent reporting of allegations to the FBI and other law enforcement authorities, and they establish appropriate behavior for crewmember interaction with guests. We also enforce our crewmember and guest behavior policies, up to and including expulsion from the ship and termination of employment.

Hiring the right people is the goal of any successful company, but it is especially important in the hospitality business. With 40,000 employees representing more than 100 nationalities, Royal Caribbean and Celebrity Cruises take a number of steps to try to ensure that the crewmembers we hire are of the highest quality. U.S. and foreign-national crewmembers undergo a screening through our application and interview process. Also, foreign nationals seeking employment with us must undergo a second layer of U.S. State Department screening in order to obtain the "C1D" visa required for entry into the United States, transit to a ship, and reentry to U.S. ports after an initial departure. There is yet a third layer of screening for our foreign national crew members entering the United States – typically at international airports, as the federal Customs and Boarder Protection agency screens them upon entering the U.S. Our policy is not to hire any foreign national if the vetting process uncovers a criminal past.

According to 22 CFR 41.105, a "C1D" visa application background check entails the following steps, which are initiated by a U.S. consulate official in the home country of the foreign-national applicant:

- Photographs¹ of the applicant;
- The U.S. consular official may (and, in some cases, is required to) take fingerprints of the applicant for investigative purposes;² and

¹ Id. at 41.105(a)(3)

- The State Department checks the name of the applicant in certain criminal history record and other databases to which the FBI provides access in order to determine whether an applicant has a criminal history or other record.³

Only after clearing the "C1D" visa application process (and the corresponding screening is approved) does Royal Caribbean or Celebrity Cruises extend an official offer of employment to a foreign-national crewmember candidate.

2. *Safety and Security Programs and Training for Crewmembers*

As in our hiring, we take special care to try to ensure that our guests enjoy, and crewmembers work, in a safe environment. Consequently, we have a specific security program that includes but is not limited to advanced access control systems, which involve positive identification of all persons onboard with photographs, screening of all items coming onto our ships, closed-circuit camera systems and security staffs led by security officers who typically have military or professional security backgrounds (in addition to officers with specific guest-relations and ship-oversight responsibilities) who are trained to handle all manner of situations onboard. In addition, all crewmembers – regardless of their responsibilities - are trained to report any suspicious conditions or suspicious activities onboard to their superiors, who are then required to report them to headquarters. More detail on these measures can be found below in our responses to your specific questions.

We also have in place strong and effective crewmember- and guest-conduct policies and procedures.

Every new crewmember of Royal Caribbean and Celebrity Cruises undergoes training concerning safety, incident-reporting, and appropriate guest interaction. For example, we prohibit any intimate contact with guests, even if guests initiate such contact. If crewmembers violate any of our policies, we discipline them, up to and including termination.

3. *Incident Reporting Policies and Responding to Crimes*

In addition to training, we impose strict guidelines for reporting allegations of crimes committed on our ships to appropriate law-enforcement authorities. The FBI has identified for the cruise-line industry those allegations of potential felonies it wants reported. Not only, however, do we report what the FBI requests, but we often report additional allegations that fall below the FBI thresholds or that would not otherwise be reported in a land-based environment.

² Id. at 41.105(b)(1).

³ Id.

Perhaps for this reason, the *Miami Herald* recently reported as follows:

" The cruise lines say they notify the appropriate authorities about all crimes and already lean toward overreporting...

John DiPaolo, an FBI agent who oversees criminal investigations at South Florida's seaports, agrees. He said the cruise lines contact his office about criminal incidents even when the FBI might not have jurisdiction.

'We have very open lines of communication,' DiPaolo said. 'We've never had an instance where I went to them and said, 'Hey, you should have reported that to us.' "

(*Miami Herald*, February 12, 2006)

Specifically, when a guest or crewmember reports an allegation involving a potential crime within the FBI guidelines, our reporting process is as follows:

- We report allegations of crime within US territorial waters to local authorities and the FBI, regardless of the nationality of the alleged victim or perpetrator.
- We report allegations of crimes committed on the high seas against or by a U.S. citizen to the FBI. When the ship is not returning to the U.S. during its voyage, we also report such an allegation to the local U.S. Consulate (where available) at the next port of call.
- We report allegations of crimes, which are committed on the high seas against a non-U.S. citizen to the appropriate authorities at the vessel's next port of call and to the ship's flag-state authorities.
- We report allegations of crimes that are committed while the vessel is in another sovereign state's territorial waters to the appropriate authorities if the vessel is making a port visit in that country. If the allegation is of a crime by or against a U.S. citizen, we also report to the local U.S. Consulate (where available) and the FBI in the United States.

Royal Caribbean and Celebrity personnel in Miami oversee the notification process to the authorities. We ensure that our Miami-based employees are on-call 24 hours a day to receive reports of such situations and to handle them.

In the event that a law enforcement authority decides to investigate an incident, we facilitate the cooperation of crewmembers who investigators might wish to interview.

As noted, in many cases, we give the FBI more than it requests. As a result, the FBI often declines to investigate allegations of crimes below certain thresholds. In other words, we report incidents to the FBI even though they fall below the threshold that the FBI has established for industry reporting.

Significantly, if the FBI declines to pursue an allegation, we follow up with local authorities to give them the opportunity to do so. We do this whether our ships are docked within or outside the United States and whether the situation involves a U.S. or non-U.S. citizen.

As you can see, we take seriously our reporting responsibilities to law enforcement. To underscore a point that others have made recently, we are not a law-enforcement or investigative agency – nor do we believe law-enforcement authorities wish us to act as such.

Beyond the requirement that crewmembers and officers notify their supervisors after learning of a potential crime, we also provide training in how to respond to such allegations.

4. Guest Behavior Policies

Our guests are all seeking an enjoyable vacation, and almost all of them respect the desire of the rest to do so, too. To ensure that the rights and wishes of all our guests are respected, each guest who travels aboard one of our cruises agrees to abide by certain rules of behavior and discipline. These policies address different categories of behavior, including (among others) smoking, drinking alcohol, impermissible physical contact, and possessing prohibited items, such as illegal substances.

These policies also outline the consequences of such behavior. Minor infractions will initially result in a warning to the individual, a second warning if the behavior persists, and, if necessary, an action to finally resolve the problem, including expulsion. More serious violations (which would include posing potential physical harm to themselves or others) require a meeting with the particular guest or guests, outlining an action plan to resolve the issue, and, if appropriate, expulsion from the ship.

III. Responses to Other Testimony

We understand that you have asked for testimony from others regarding both the cruise industry in general as well as individual experiences on cruise ships. We at Royal Caribbean and Celebrity Cruises extend our deepest sympathies to the Carver family for their loss. And, we regret that one of our guests reported something stolen from her while with us.

We greatly regret that any of our guests suffer even one unfortunate incident, whether it be a crime, accident or suicide. We do our best to eliminate any such incidents; unfortunately, it is not possible in today's world to eliminate every single one. However, we have been very successful in reducing the incidence of such events to such a small number that cruising is safer than almost any other activity you might fairly compare it to.

Even the few cases that the committee has heard have important facts that should not be buried under a cloud of vague allegations and innuendo. These facts are relevant, and we explain them briefly below. Equally important, however, is that we not lose sight of the context of the incidents. While we deeply regret that our guests had the experiences they shared with the Subcommittee, these incidents represent an incredibly small fraction of our guests and absolutely do not represent, in any way, the experiences of well more than 99.9 percent of our guests.

Mrs. Leonard alleged that some of her belongings were stolen from her cabin. We are genuinely sorry for her loss. It is noteworthy, however, that Mrs. Leonard declined to accept Royal Caribbean's advice and secure her items in a safe deposit box because – as she says – she did not want to be inconvenienced. In addition – just as if this jewelry had been lost at a hotel on land – Mrs. Leonard could have filed a lawsuit against the company for her loss. However, she never exercised that right. She never went to court. Through her lawyer, she only threatened an all-out media campaign against Royal Caribbean if the company did not pay her.

To be clear, we do our best to provide secure facilities for our guests' precious items, and we let them know about the options in advance of their cruise. In this instance, Mrs. Leonard chose not to take advantage of our security precautions. Had she done so, her jewelry would have been secure, and there would have been no question whether or not her jewelry was stolen.

The case of Ms. Carver is particularly tragic. We regret that the Carver family has experienced this inconsolable loss. We now know that one of our supervisors was notified by a room steward that Ms. Carver was missing from her cabin. Unfortunately, that supervisor did not recognize the significance of her absence and never reported it to a superior, as he should have done. That was wrong and inexcusable. He exercised poor judgment, and we fired him as a result. I also regret that, due to the supervisor's failure to notify us, we didn't realize that Ms. Carver was missing and, therefore, no one from the company had the opportunity to personally notify the Carver family about her disappearance.

Could we have done anything differently to save Ms. Carver from apparently committing suicide? We have searched our minds and hearts to second-guess ourselves on that. Sadly, the facts appear that Ms. Carver went on this cruise with the intent to commit suicide. Ms. Carver purchased her passage only two days before the ship's departure from Seattle, and boarded with the clothes she was wearing, two purses and an envelope containing a computer disk. These are not the items that would prepare her for a seven-night cruise to Alaska.

Finally, I would like to add that our hearts continue to go out to Jennifer Hagel Smith and the Smith family over the disappearance of George Smith.

Royal Caribbean has worked continuously with the FBI to help determine what happened to him. Unfortunately, the media campaign that the PR representatives and lawyers for Mrs. Hagel Smith and the Smith family have waged over the last several months – replete with false and misleading allegations that change by the day – has obscured both the truth and what should be the main focus: the search for answers about Mr. Smith's disappearance. While the Smiths are mourning a terrible loss, one with which we greatly sympathize, that loss does not give them or their representatives the right to make false statements and allegations. If the family decides to file a lawsuit against Royal Caribbean, at least we will be able to directly challenge their false statements in a court of law.

We remain concerned, too, that this PR campaign has had the effect of hampering the FBI investigation. In particular, we regret that information given to the Smith family, Mrs. Hagel Smith and their lawyers in confidence – which the FBI asked us to keep confidential – was somehow released to the public. As we have emphasized, we are not forensic investigators. We believe that the FBI is better qualified than we are to investigate such incidents. We also believe that an investigation by the FBI is more effective than an investigation by PR campaign. We have provided information voluntarily to the putative plaintiffs even though we are not required to do so. However, we believe that this voluntary effort on our part has been abused to assist the PR campaign even where such disclosure obviously hampers the FBI's efforts. An unfortunate consequence of such actions by plaintiffs and plaintiff attorneys is to discourage companies such as ours from volunteering information that could similarly be used to fuel their PR campaign. We have a well-established rule of law that provides for such information to be provided under legal safeguards that limit people's ability to misuse or distort factual data.

To ensure that the public could learn the facts about this case, we posted on our website at www.royalcaribbean.com an eight-page factual chronology of what happened before and after George Smith's disappearance, and a list of the Top 10 Myths about this case with facts debunking them. We recommend them to the Subcommittee.

IV. Responses to Specific Questions

You asked a number of questions in your invitation letter of February 23, 2006. We address each in turn.

1. What United States and international laws govern passenger security onboard cruise lines?

Recently, a number of statements have been made in the media leaving the impression that there are no domestic laws governing passenger security onboard cruise ships and implying that international laws provide inadequate protection. Nothing could be further from the truth. Well-established laws – in the US as well as elsewhere – address generally two categories of passenger security issues: (a) crime onboard ships; and (b) terrorism and safety of ports and vessels.

(a) First and foremost, U.S. law protects American guests onboard cruise ships around the world. Pursuant to U.S. laws and through a number of maritime agreements between the United States and other countries, U.S. authorities may investigate and prosecute crimes against Americans or perpetrated by Americans no matter where the crimes occur. In addition, the U.S. Coast Guard has jurisdiction over all ships entering U.S. ports, regardless of where the ship is flagged. And, the FBI has jurisdiction to investigate allegations of crimes even when the incidents occur in foreign waters. The FBI routinely exercises this authority.

(b) Meanwhile, an interlocking set of international treaties and laws, bolstered by more specific national laws, address anti-terrorism and ship safety issues on the seas and at ports of call.

The primary set of international laws is the International Ship and Port Facility Security (ISPS) Code, which was enacted by the International Maritime Organization (IMO) and signed by member countries. The IMO is a sub-body of the United Nations, and its members are known as "flag states," or nations that register ships and have authority over them. The more specific U.S. law implementing the ISPS Code is known as the U.S. Maritime Transportation Security Act (MTSA). Both the ISPS and MTSA became effective on July 1, 2004, and both serve as the blueprint for cruise ship security plans and practices we have in effect today. Prior to the creation of these recent maritime laws, Royal Caribbean and others were subject to international guidelines specific to the cruise industry that required security plans. These maritime laws also required extensive ship security plans and security assessments, which were examined and approved by the U.S. Coast Guard.

Among other things, the more recent ISPS Code requires each cruise line to create a comprehensive security plan for each ship and terminal. Some of the aspects of the security plans are the following:

- A cruise line conducts a physical survey of each ship and terminal, identifying potential security vulnerabilities. The company then adds security measures to its existing plan to protect these areas.
- Registered security organizations conduct independent evaluations of each ship and its security plan, and verify that proper security measures are in place and reported.
- Company, ship and terminal security officers who are qualified to serve in these roles are designated and identified in the security plan.
- Mandatory periodic security drills and exercises must be held. Royal Caribbean also conducts regular voluntary drills and exercises.
- Ships must have security alert systems that send external signals when a ship is under threat.
- Cruise lines will receive certificates for each security plan from one of the recognized security organizations, such as Det Norske Veritas or Lloyd's Register, which is valid for five years. These organizations will conduct interim inspections for each ship every two and one-half years. In addition, Royal Caribbean conducts annual audits of its own security plans. Finally, the U.S. Coast Guard inspects Royal Caribbean's ship operations on a quarterly basis to examine environmental requirements and to ensure that security measures are in place and are in accordance with the law.
- Communication and coordination requirements between ship and terminal officers in the form of a declaration of ship and port security, which details all ship and port interaction each time a ship enters a port. The ship's designated Security Officer will meet with the terminal Security Officer to determine the level of security for the terminal and ship, and to designate which will run procedures such as guest screening, baggage transport, and monitoring or security duties.

Another entity with legal authority over our ships is the Bahamian government, which, as a commonwealth of the United Kingdom, derives much of its law from there. Bahamian requirements also flow from the IMO laws regarding specific operations of our ships. For example, these regulations outline procedures for handling maritime accidents, set the qualifications for those who operate and navigate ships, and require specific reporting for casualties and other incidents. In essence, the security standards under Bahamian law are similar to those for U.S.-registered ships.

Finally, a number of U.S. federal agencies exercise oversight over the cruise industry with respect to safety and security, including:

- U.S. Department of Homeland Security
 - Customs and Border Protection
 - Immigration and Customs Enforcement
- U.S. Department of Justice
 - Federal Bureau of Investigation
 - Drug Enforcement Administration
- U.S. Department of State
 - Office of Security and Counterterrorism
- U.S. Department of Agriculture
 - Animal Plant Health Inspection Service
- U.S. Department of Commerce
 - National Oceanic and Atmospheric Administration
- U.S. Department of Defense
 - U.S. Army Corps of Engineers
- U.S. Department of Transportation
- U.S. Department of Health and Human Services
 - Centers for Disease Control and Prevention
- Environmental Protection Agency
- Federal Communications Commission
- Federal Maritime Commission
- National Transportation Safety Board

2. *Who is the official responsible for enforcing such laws onboard a cruise ship?*

Overall, there are three levels of management responsible for security onboard our cruise ships. The Captain of the ship is the chief enforcer. Next, the Staff Captain serves as the ship's second-in-command, and is the officially designated Ship Security Officer, as required by international maritime law. Beneath the Staff Captain is the top security officer, who heads a team of security personnel, depending on the size of the ship.

The majority of our security staff fleetwide have extensive military and law enforcement backgrounds, and the rest have comprehensive career experience in maritime security. Our officers are trained to handle all manner of crises and allegations of crime. They are also trained in defensive tactics and the operation of our state-of-the-art narcotics and explosives detection technologies. Our security training includes leading security experts and includes basic crime scene preservation training.

Ensuring that our guests have safe and secure cruises, however, is not the responsibility of our security staff alone. On average, we have 910 crewmembers onboard our ships, and every crewmember receives safety, crime awareness, reporting, and prevention training. Indeed, crewmembers can be our most valuable eyes and ears onboard our ships and frequently act as our first responders.

From our cabin stewards, who greet our guests when they first come onboard and care for their rooms throughout their cruise, to dining staff to guest relations personnel to entertainers to our Captains, we task our crewmembers and officers with serving and taking care of our guests. All of them try to ensure our guests have a safe and enjoyable vacation. This is the service that makes our business succeed, and it is the right thing to do.

3. *What type of security measures, both trained personnel and equipment, are onboard cruise lines to ensure passenger safety?*

We have a full complement of preventive, surveillance and enforcement procedures and devices. We X-ray or examine every person, piece of luggage and the supplies that come onboard our cruise ships. We screen guests in advance of their boarding and have a thorough check-in process, including identification validation of guests. In addition, because guests typically book their cruises weeks or months in advance of departure, we know more about our customers (including credit card information, food preferences, and other personal information) in advance of their boarding than any other vacation business.

Royal Caribbean and Celebrity Cruises also provide pre-arrival and pre-departure manifest information to federal law enforcement authorities in the United States and elsewhere in the form of a ship manifest. This electronic database includes the names, dates of birth, citizenship, passport and other data for each and every person onboard. We submit this information electronically to the U.S. Coast Guard and the U.S. Customs and Border Protection in advance of arrival at and departure from U.S. ports. This allows the U.S. government to compare our lists with databases managed by federal law enforcement agencies.

Some of our crime prevention and enforcement measures go beyond what the law requires. For example, all our ships are equipped with a strict access control system that we call SeaPass, which is not mandated by any authority. The SeaPass technology helps our security staff and crewmembers know which guests and crewmembers are registered onboard and which are not, at any given time. Akin to an identification card, an individual's SeaPass card must be swiped upon entering or leaving the ship during the cruise. This card calls up each guest's photograph and personal identification information on a screen visible by the security guards at each ship entrance. The SeaPass card also serves as a stateroom key for guests.

Although not required, the majority of our ships have brigs where we can safely isolate those who pose a risk to the ship or passenger safety. On ships without brigs, we isolate individuals in a cabin, guarded by a security officer, until the person is turned over to the appropriate law enforcement agency. Our security officers patrol 24 hours a day, and they specifically make rounds to detect and prevent improper activity and accidents on our ships. Our security operations also include trained divers who can search ship hulls and ports at which we call, and work in coordination with various law enforcement agencies.

4. *If a crime occurs onboard a cruise ship, who investigates the crime and what are their training and qualifications?*

If an incident occurs, the Staff Captain, chief security officer, and security personnel manage the response. As stated above, the majority of our security officers and personnel have extensive military or law enforcement experience, and the remaining are veteran career security officers on our ships. Beyond special security training, they undergo sessions with leading security experts to learn a variety of advanced security techniques. After discovery of an incident, the officers conduct interviews with those making an allegation, the accused, and any witnesses. They also assist in providing preliminary reports to the FBI and any other relevant authorities. As stated previously, however, our security officers are not forensic investigators, and we appropriately limit our investigative efforts to avoid potential interference with law enforcement and prosecutors. Instead, one role of our security force is to detect and prevent, as well as to help handle, incidents that arise and assist in the reporting process in the aftermath.

5. *How are jurisdictional issues handled onboard foreign flagged vessels?*

This is not a matter of corporate policy but rather of international law and diplomatic deference exercised by international law enforcement. The primary factors in determining jurisdiction are the nationality of the persons involved in an incident, the ship's flag country, and the territory in which an incident occurs.

Jurisdiction begins with reporting any alleged incident to the appropriate authorities based on international law, and then allowing the authorities (based on the law and diplomatic deference) to work out who would take the lead on any investigation and prosecution or whether there would be parallel investigations and prosecutions. As we explained above:

- We report allegations of crimes committed on the high seas against or by a U.S. citizen to the FBI. When the ship is not returning to the U.S. during its voyage, we also report such an allegation to the local U.S. Consulate at the next port of call.
- We report allegations of crimes committed on the high seas against a non-U.S. citizen to the appropriate authorities at the vessel's next port of call.
- We report allegations of crimes committed while the vessel is in another sovereign state's territorial waters to the appropriate authorities if the vessel is making a port visit in that country. If the allegation is of a crime by or against a U.S. citizen, we also report to the local U.S. Consulate and the FBI in the United States.

V. *Conclusion*

Thank you again for the opportunity to submit this testimony and appear at the Subcommittee's hearing. We would be pleased to answer any additional questions the Subcommittee might have on these topics.

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